

MINISTRY OF FINANCE

**GOVERNMENT DEBT
MANAGEMENT**

FEBRUARY 2004

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Abbreviations

BGN	–	<i>The abbreviation of the Redenominated Bulgarian Lev</i>
BIR	–	<i>Base Interest Rate</i>
BNB	–	<i>Bulgarian National Bank</i>
CB	–	<i>Commercial Banks</i>
CM	–	<i>Council of Ministers</i>
CMD	–	<i>Council of Ministers Decree</i>
CSB	–	<i>Consolidated State Budget</i>
EBRD	–	<i>European Bank for Reconstruction and Development</i>
EIB	–	<i>Economic and Investment Bank</i>
GDP	–	<i>Gross Domestic Product</i>
GS	–	<i>Government Securities</i>
IMF	–	<i>International Monetary Fund</i>
JBIC	–	<i>Japan Bank for International Cooperation</i>
LBNB	–	<i>Law on the Bulgarian National Bank</i>
LSPDACB	–	<i>Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings</i>
MF	–	<i>Ministry of Finance</i>
SBL of RB	–	<i>State Budget Law of the Republic of Bulgaria</i>
SDR	–	<i>Special Drawing Rights</i>
TFP	–	<i>Transitional and Final Provisions</i>
UBB	–	<i>United Bulgarian Bank</i>
ZUNK	–	<i>Bulgarian abbreviation of the Law on Settlement of Nonperforming Credits Negotiated prior to 31 December 1990 (LSNC)</i>

BUDGET DEFICIT FINANCING BY GOVERNMENT SECURITIES ISSUES

In February the Ministry of Finance issued through auctions organized by the BNB four government securities issues under Regulation No. 5, including one short-term discount treasury bills issue (No. BG3010204009 – three-month), one medium-term tap treasury bonds issue with floating interest coupon (No. BG2030104116 – three-year) and two long-term (No. BG2040104213 – seven year, and No. BG2040004215 – ten-year) tap treasury bonds issues.

At the auctions primary dealers’ bids totaled BGN 280,150 thousand: BGN 24,150 thousand for three-month government securities, BGN 93,850 thousand for three-year, BGN 76,850 thousand for seven-year and BGN 85,300 thousand for ten-year (Chart 1). Approved bids totaled BGN 72,000 thousand nominal value, including three-month of BGN 12,000 thousand, three-year of BGN 20,000 thousand, seven-year of BGN 20,000 thousand and ten-year of BGN 20,000 thousand (Charts 2 and 3). Bid-to-cover ratio of the issues approved for sale in February accounted for 3.89: 2.01 on three-month, 4.69 on three-year, 3.84 on seven-year and 4.27 on ten-year government securities (Chart 4). Reported excess of demand over supply was a result of stable interest in government securities investment. Government securities issued in February decreased by BGN 77.8 million on a year earlier basis (Chart 2).

Chart 1

Government Securities Issue in February

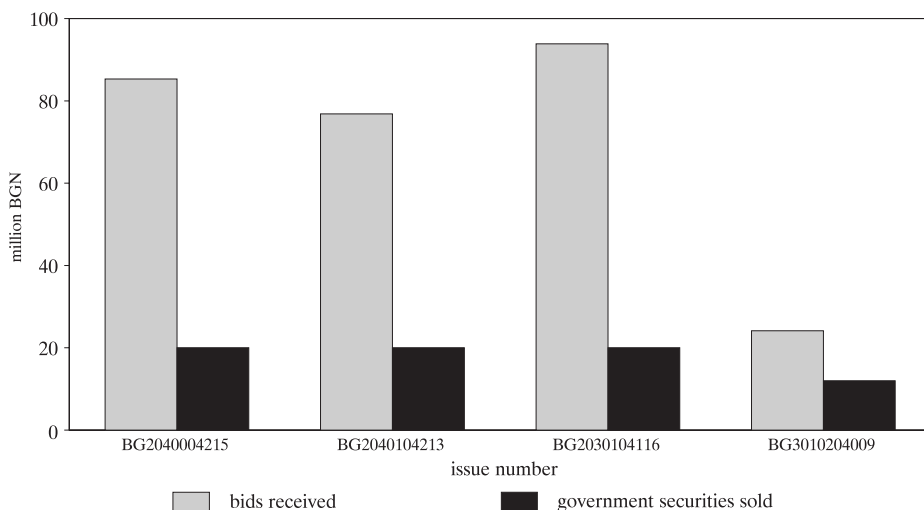


Chart 2

Sales of Government Securities Issues

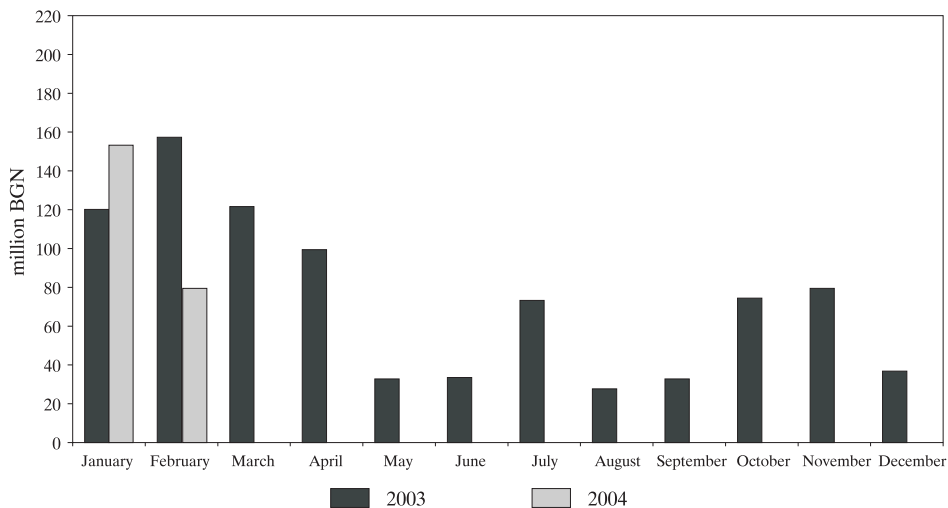
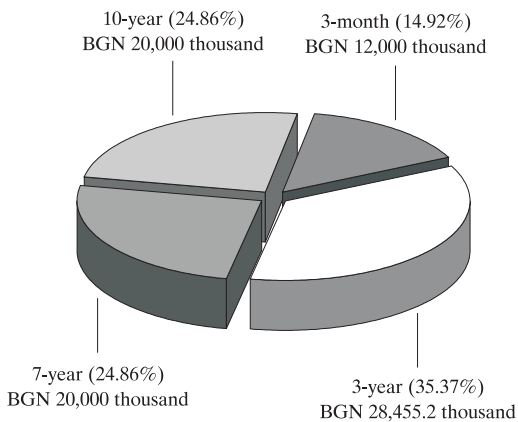


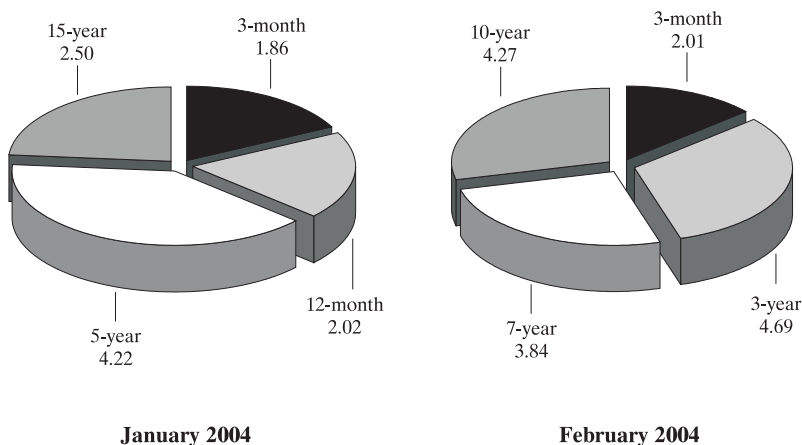
Chart 3

Structure and Volume of Government Securities Issued for Budget Deficit Financing in February



Note: Including target issues of government securities.

Bid-to-Cover Ratios of Issues Sold



In the review period the yield attained in the primary market reflected demand for government securities as a whole, and specific preferences for debt instruments with different maturity. The attained levels show a decrease along the whole yield curve. The yield of three-month treasury bills reached one of its lowest levels, decreasing by 10 basis points compared to the previous month, and amounted to 2.41%. The yield of three-year government securities was 3.39%, a decrease of 1.74% compared to April 2003 when the last government securities issue with three-year maturity was sold. The yield of seven-year and ten-year tap government securities was also negative, the trend more clearly pronounced as regards the ten-year tap government securities. In February the yield of seven-year government securities was 5.02%, a decrease of 46 basis points, and the yield of ten-year government securities was 5.48%, a decrease of 58 basis points (Charts 5, 6 and 8).

One 2003 treasury bills issue matured in February (No. BG3011203000).

In the reporting period one issue of five-year treasury bonds denominated in euro earmarked for direct sale to individuals was put in circulation: issue No. 501 of 4 February 2004 totaling BGN 8,455.2 thousand nominal value (EUR 4,323.1 thousand) (Chart 11). Two 2002 issues amounting to BGN 898 thousand matured in February. During the period under review reverse purchases accounted for BGN 162.4 thousand (Chart 12).

Prices of Issues Sold per BGN 100 Nominal Value

JANUARY 2004

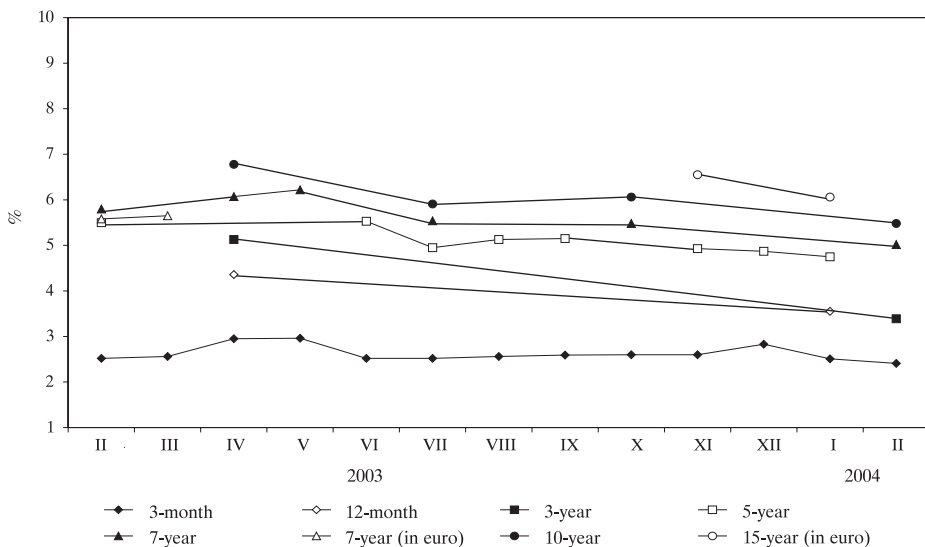
	3-month	12-month	5-year	15-year
	BG3010104001	BG3010004003	BG2030004118	BG2040403219
Minimum	99.35	96.35	99.59	EUR 98.74
Average-weighted	99.37	96.52	99.79	EUR 99.43
Maximum	99.39	97.05	100.35	EUR 101.45

FEBRUARY 2004

	3-month	3-year	7-year	10-year
	BG3010204009	BG2030104116	BG2040104213	BG2040004215
Minimum	99.37	99.40	98.20	97.57
Average-weighted	99.40	99.76	98.42	97.85
Maximum	99.43	100.04	99.85	100.48

Chart 5

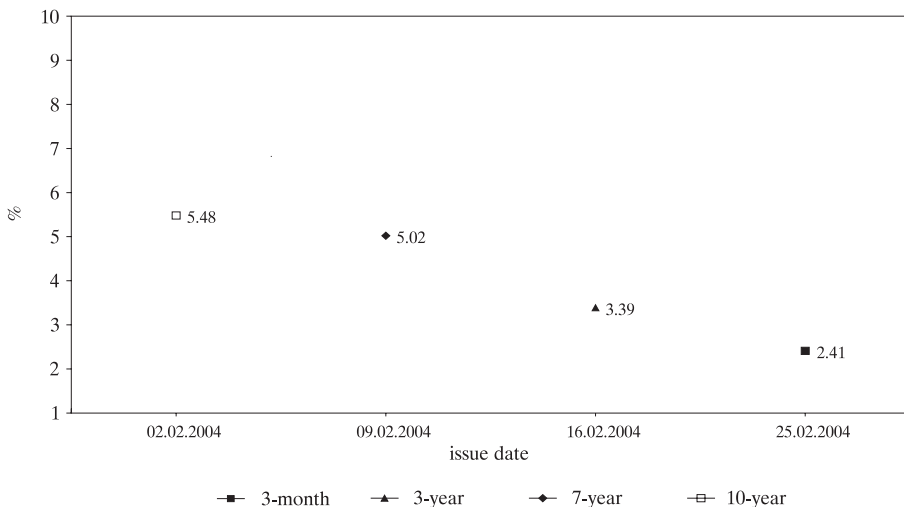
Yield of Primary Market Government Securities



Note: The yield is on an effective annual basis.

Chart 6

Dynamics of the Average Annual Yield of Primary Market Government Securities



Note: Three-year, five-year and ten-year tap government securities issues; the above dates indicate the auction dates.

Chart 7

Government Securities Bought in the Primary Market through Competitive and Noncompetitive Bids

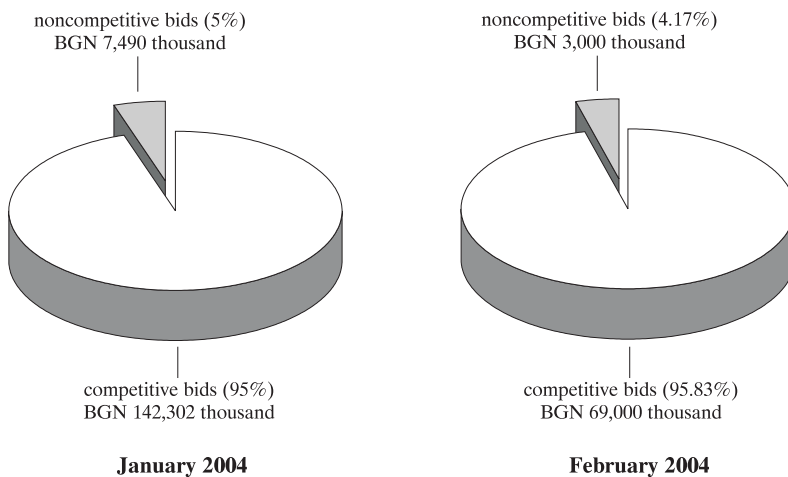
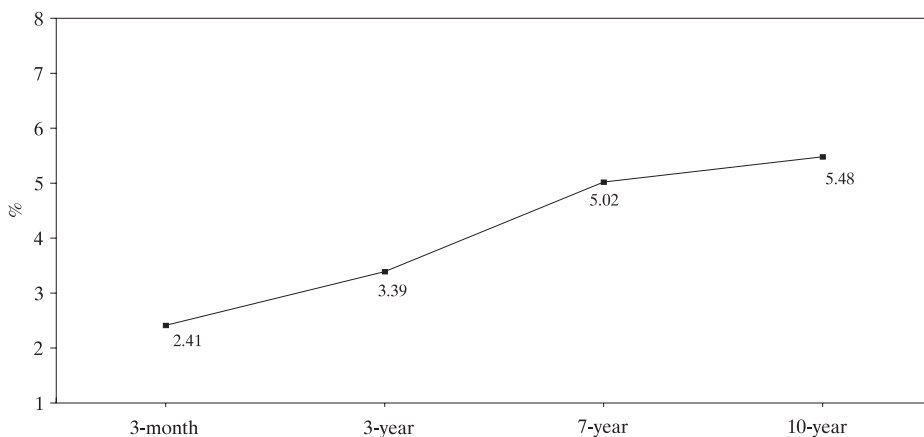


Chart 8

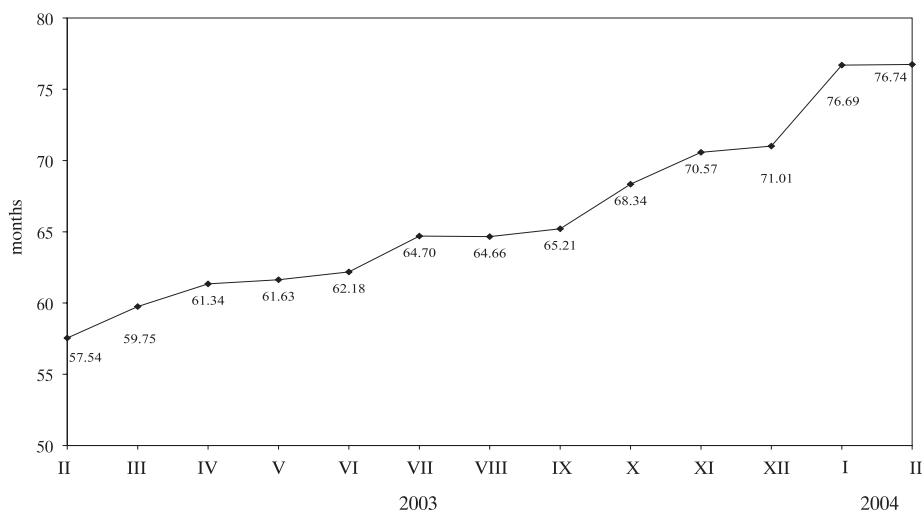
Yield Curve of Primary Market Government Securities in February



Note: Average-weighted yield on an effective annual basis.

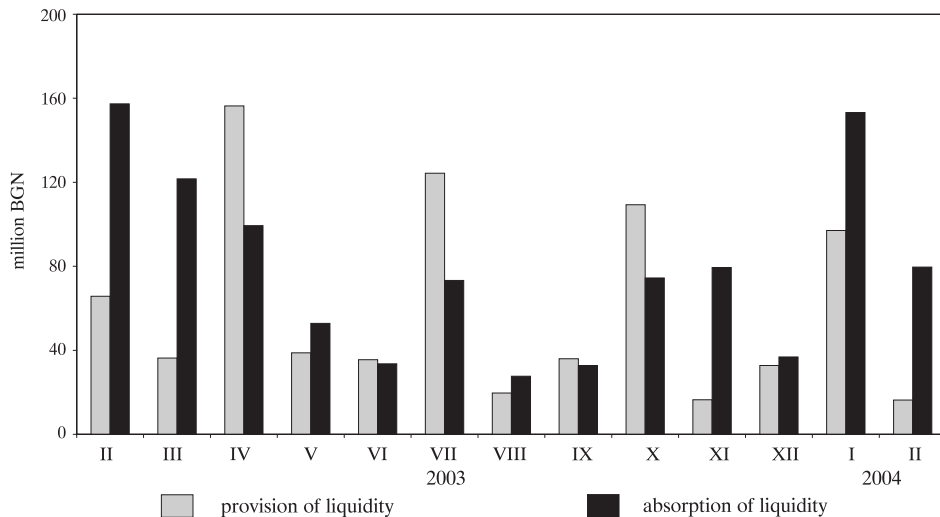
Chart 9

Average Term of Outstanding Government Securities Issues by Month

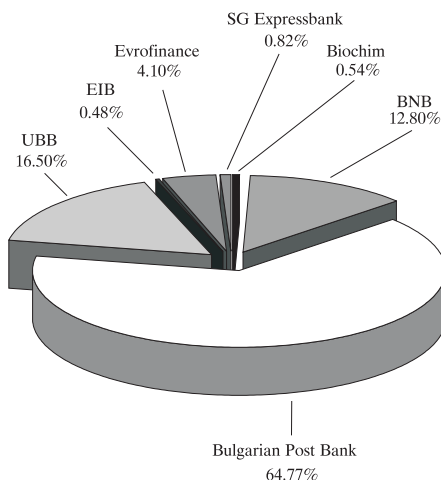


Note: The average term is calculated on the basis of the maturity structure of government securities issued for budget deficit financing.

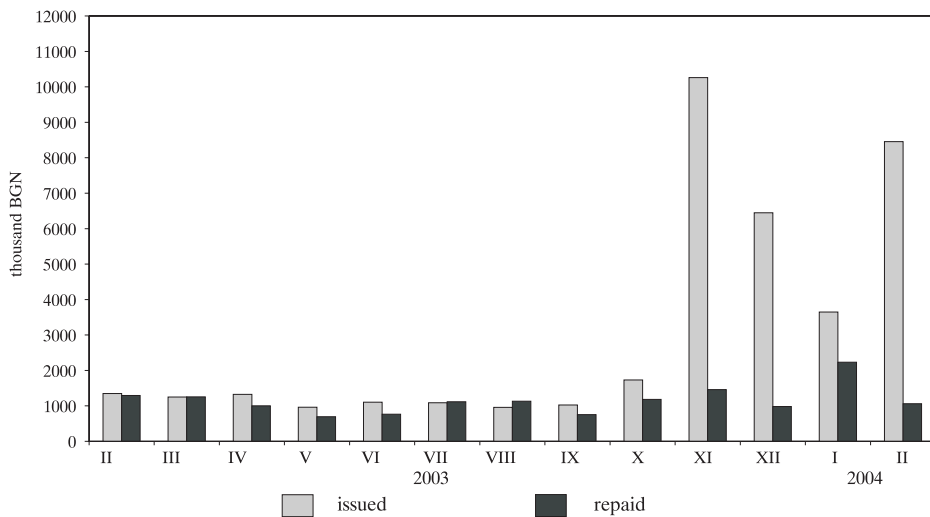
Monthly Liquidity Regulation through Government Securities Maturities and Issues



Primary Dealers' Direct Sales of Government Securities from Target Issues in February



Issued and Repaid Government Securities from Target Issues



Outstanding Government Securities

Discount Treasury Bills

	BG3010403007	BG3011303008	BG3010004003	BG3010104001	BG3010204009
Issue No.					
Issue date	09.04.2003	23.12.2003	14.01.2004	28.01.2004	25.02.2004
Maturity date	09.04.2004	23.03.2004	14.01.2005	28.04.2004	25.05.2004
Nominal value of the offer (thousand BGN)	20 000.00	12 000.00	20 000.00	12 000.00	12 000.00
Total nominal value of the bids received (thousand BGN)	51 600.00	10 170.00	40 350.00	22 350.00	24 150.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	10 170.00	20 000.00	12 000.00	12 000.00
Average price of the bids approved per BGN 100 (%)	95.76	99.29	96.52	99.37	99.40
Average discount per BGN 100 (%)	4.24	0.71	3.48	0.63	0.60
Average annual yield (%)	4.36	2.83	3.55	2.51	2.41
Effective annual yield (%)	4.35	2.86	3.55	2.53	2.44
Bid-to-cover ratio	2.58	0.85	2.02	1.86	2.01

Treasury Bonds

Issue No.	BG2030609115	BG2030909119	BG2030900117 ³	BG2030101112 ³	Total for the issue***	First opening	Second opening	Third opening	First opening	Second opening	Third opening	Total for the issue***
Auction date			09.10.2000	06.11.2000	11.12.2000	22.01.2001	26.02.2001	26.03.2001	22.01.2001	26.02.2001	26.03.2001	22.01.2001
Issue date	31.03.1999	29.04.1999	11.10.2000	11.10.2000	11.10.2000	11.10.2000	11.10.2000	11.10.2000	24.01.2001	24.01.2001	24.01.2001	24.01.2001
Maturity date	24.03.2004	22.04.2004	05.10.2005	05.10.2005	05.10.2005	05.10.2005	05.10.2005	05.10.2005	24.01.2006	24.01.2006	24.01.2006	24.01.2006
Nominal value of the offer (thousand BGN)	2 000.00	3 000.00	10 000.00	15 000.00	15 000.00	10 000.00	15 000.00	15 000.00	20 000.00	20 000.00	20 000.00	40 000.00
Total nominal value of the bids received (thousand BGN)	2 795.00	1 190.00	46 780.00	35 511.11	31 074.00	46 780.00	31 074.00	113 365.10	95 924.14	87 276.00	70 430.00	253 630.14
Total nominal value of the bids approved (thousand BGN)	2 000.00	1 190.00	10 000.00	15 000.00	15 000.00	10 000.00	15 000.00	28 755.89	20 000.00	20 000.00	20 000.00	29 325.90
Average price of the bids approved per BGN 100 (%)	86.35	78.37	98.78	99.63	99.87	98.78	99.87	99.51	101.65	104.60	106.40	104.22
Interest rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Bid-to-cover ratio	1.40	0.40	4.68	2.37	2.07	4.68	2.07	2.83	4.80	4.36	3.52	4.23
Average annual yield (%)	12.79	15.37	9.31	9.09	9.03	9.31	9.03	9.12	8.59	7.87	7.44	7.96

(continued)

(continued)

Issue No.	BG2030301118²			BG2030501113²				
	First opening	Second opening	Third opening	Total for the issue***	First opening	Second opening	Third opening	Total for the issue
Auction date	23.04.2001	21.05.2001	25.06.2001		23.07.2001	20.08.2001	24.09.2001	
Issue date	25.04.2001	25.04.2001	25.04.2001	25.04.2001	25.07.2001	25.07.2001	25.07.2001	25.07.2001
Maturity date	25.04.2006	25.04.2006	25.04.2006	25.04.2006	25.07.2006	25.07.2006	25.07.2006	25.07.2006
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	55 846.00	60 050.00	49 500.00	165 396.00	51 650.00	41 950.00	46 470.00	140 070.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	20 000.00	20 000.00	20 000.00	60 000.00
Average price of the bids approved per BGN 100 (%)	103.61	104.48	104.66	104.25	100.79	100.10	100.40	100.43
Interest rate	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Bid-to-cover ratio	2.79	3.00	2.48	2.76	2.58	2.10	2.32	2.33
Average annual yield (%)	7.13	6.92	6.88	6.98	6.81	6.98	6.90	6.90

(continued)

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Issue No.	BG20307011193			BG20400012114			
	First opening	Second opening	Third opening	Total for the issue	First opening	Second opening	Total for the issue
Auction date	22.10.2001	26.11.2001	21.12.2001		29.10.2001	30.11.2001	
Issue date	24.10.2001	24.10.2001	24.10.2001	24.10.2001	31.10.2001	31.10.2001	31.10.2001
Maturity date	24.10.2006	24.10.2006	24.10.2006	24.10.2006	31.10.2008	31.10.2008	31.10.2008
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	30 000.00	11 070.00	30 000.00
Total nominal value of the bids received (thousand BGN)	43 400.00	55 400.00	28 750.00	127 550.00	53 672.00	54 615.00	108 287.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	60 000.00	18 930.00	11 070.00	30 000.00
Average price of the bids approved per BGN 100 (%)	100.22	100.36	100.20	100.29	95.45	98.19	96.46
Interest rate	7.00	7.00	7.00	7.00	7.50	7.50	7.50
Bid-to-cover ratio	2.17	2.77	1.44	2.13	1.79	4.93	3.61
Average annual yield (%)	6.95	6.91	6.95	6.93	8.37	7.84	8.17

(continued)

(continued)

Issue No.	First opening	BG2030002112² Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	BG2040002219⁴ Second opening	Total for the issue
Auction date	07.01.2002	11.02.2002	08.04.2002	07.05.2002		14.01.2002	21.01.2002		
Issue date	09.01.2002	09.01.2002	09.01.2002	09.01.2002	09.01.2002	16.01.2002	16.01.2002	16.01.2002	16.01.2002
Maturity date	09.01.2007	09.01.2007	09.01.2007	09.01.2007	09.01.2007	16.01.2009	16.01.2009	16.01.2009	16.01.2009
Nominal value of the offer (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	30 000.00	30 000.00	30 000.00	60 000.00
Total nominal value of the bids received (thousand BGN)	62 850.00	72 470.00	47 080.00	36 250.00	218 650.00	106 295.00	99 331.00		205 626.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00	30 000.00	50 000.00		80 000.00*
Average price of the bids approved per BGN 100 (%)	100.71	101.98	102.01	102.07	101.66	100.47	101.46		101.09
Interest rate	7.00	7.00	7.00	7.00	7.00	7.50	7.50		7.50
Bid-to-cover ratio	2.51	3.62	1.88	1.81	2.43	3.54	3.31		3.43
Average annual yield (%)	6.83	6.53	6.52	6.51	6.60	7.41	7.23		7.30

(continued)

(continued)

Issue No.	First opening	BG2040102217³ Second opening	Third opening	Total for the issue	First opening	BG2030102110⁴ Second opening	Total for the issue
Auction date	18.02.2002	18.03.2002	13.05.2002		11.03.2002	10.06.2002	
Issue date	20.02.2002	20.02.2002	20.02.2002	20.02.2002	13.03.2002	13.03.2002	13.03.2002
Maturity date	20.05.2009	20.05.2009	20.05.2009	20.05.2009	13.03.2005	13.03.2005	13.03.2005
Nominal value of the offer (thousand BGN)	30 000.00	25 000.00	35 000.00	90 000.00	25 000.00	25 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	63 350.00	58 812.00	58 300.00	180 462.00	72 750.00	44 151.00	116 901.00
Total nominal value of the bids approved (thousand BGN)	30 000.00	25 000.00	35 000.00	90 000.00	25 000.00	25 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	99.05	99.77	99.44	99.40	101.62	101.68	101.65
Interest rate	7.00	7.00	7.00	7.00	6.50	6.50	6.50
Bid-to-cover ratio	2.11	2.35	1.67	2.01	2.91	1.77	2.34
Average annual yield (%)	7.17	7.04	7.10	7.10	5.90	5.88	5.89

(continued)

(continued)

Issue No.	BG204020215 ²				BG2030202118 ²					
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Fourth opening	Total for the issue
Auction date	15.04.2002	22.04.2002	17.06.2002	22.07.2002	17.04.2002	08.07.2002	12.08.2002	07.10.2002	11.11.2002	17.04.2002
Issue date	17.04.2002	17.04.2002	17.04.2002	17.04.2002	17.04.2002	10.07.2002	10.07.2002	10.07.2002	10.07.2002	10.07.2002
Maturity date	17.04.2012	17.04.2012	17.04.2012	17.04.2012	17.04.2012	10.07.2007	10.07.2007	10.07.2007	10.07.2007	10.07.2007
Nominal value of the offer (thousand BGN)	15 000.00	25 000.00	25 000.00	25 000.00	90 000.00	25 000.00	20 000.00	25 000.00	20 000.00	90 000.00
Total nominal value of the bids received (thousand BGN)	72 080.00	59 589.60	42 338.50	28 859.30	202 867.40	38 080.00	19 100.00	49 950.00	67 184.70	174 314.70
Total nominal value of the bids approved (thousand BGN)	15 000.00	25 000.00	25 000.00	19 920.00	84 920.00	25 000.00	14 750.00	25 000.00	20 000.00	84 750.00
Average price of the bids approved per BGN 100 (%)	98.14	96.77	95.92	93.76	96.06	99.81	98.45	98.78	99.52	99.20
Interest rate	7.50	7.50	7.50	7.50	7.50	6.50	6.50	6.50	6.50	6.50
Bid-to-cover ratio	4.81	2.38	1.69	1.15	2.25	1.52	0.96	2.00	3.36	1.94
Average annual yield (%)	7.77	7.97	8.10	8.44	8.08	6.55	6.87	6.79	6.61	6.69

(continued)

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Issue No.	BG204030213 ²				BG2030302116 ³				
	First opening	Second opening	Third opening	Fourth opening	Total for the issue	First opening	Second opening	Third opening	Total for the issue
Auction date	15.07.2002	19.08.2002	14.10.2002	18.11.2002	17.07.2002	29.07.2002	28.10.2002	25.11.2002	31.07.2002
Issue date	17.07.2002	17.07.2002	17.07.2002	17.07.2002	17.07.2009	31.07.2002	31.07.2002	31.07.2002	31.07.2002
Maturity date	17.07.2009	17.07.2009	17.07.2009	17.07.2009	17.07.2009	31.07.2005	31.07.2005	31.07.2005	31.07.2005
Nominal value of the offer (thousand BGN)	20 000.00	15 000.00	20 000.00	15 000.00	70 000.00	25 000.00	25 000.00	33 100.00	83 100.00
Total nominal value of the bids received (thousand BGN)	29 863.50	24 239.00	48 880.30	86 964.00	189 946.80	24 200.00	44 150.00	92 265.70	160 615.70
Total nominal value of the bids approved (thousand BGN)	20 000.00	15 000.00	20 000.00	15 000.00	70 000.00	16 900.00	25 000.00	33 100.00	75 000.00
Average price of the bids approved per BGN 100 (%)	98.39	96.38	96.63	99.09	97.61	98.83	98.67	99.57	99.10
Interest rate	7.00	7.00	7.00	7.00	7.00	5.75	5.75	5.75	5.75
Bid-to-cover ratio	1.49	1.62	2.44	5.80	2.71	0.97	1.77	2.79	1.93
Average annual yield (%)	7.30	7.68	7.63	7.17	7.44	6.18	6.24	5.91	6.08

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Issue No.	BG2030402114 ⁴		BG2040003217 ⁴		BG2030003110 ³		Total for the issue	Third opening	Total for the issue
	First opening	Second opening	First opening	Second opening	First opening	Second opening			
Auction date	09.09.2002	09.12.2002	06.01.2003	31.03.2003	13.01.2003	10.02.2003	02.06.2003		
Issue date	11.09.2002	11.09.2002	08.01.2003	08.01.2003	15.01.2003	15.01.2003	15.01.2003	15.01.2003	15.01.2003
Maturity date	11.09.2005	11.09.2005	08.01.2013	08.01.2013	15.01.2008	15.01.2008	15.01.2008	15.01.2008	15.01.2008
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00	30 000.00	20 000.00	30 000.00	25 000.00	20 000.00	20 000.00	75 000.00
Total nominal value of the bids received (thousand BGN)	33 700.00	66 700.00	94 289.80	56 355.00	87 720.00	50 900.00	49 450.00	188 070.00	
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00	30 000.00	20 000.00	30 000.00	25 000.00	20 000.00	75 000.00	
Average price of the bids approved per BGN 100 (%)	99.13	100.80	104.08	105.18	100.42	100.55	100.40	100.46	
Interest rate	6.00	6.00	7.50	7.50	5.625	5.625	5.625	5.625	
Bid-to-cover ratio	1.35	2.67	3.14	2.82	2.92	2.04	2.47	2.51	
Average annual yield (%)	6.32	5.71	6.93	6.78	5.53	5.50	5.53	5.52	

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Issue No.	BG2030103118 ⁴			BG2040103215 ¹					Total for the issue	Total for the issue
	First opening	Second opening		First opening	Second opening	Third opening	Fourth opening	Fifth opening		
Auction date	20.01.2003	21.04.2003		03.02.2003	14.04.2003	07.05.2003	21.07.2003	20.10.2003		
Issue date	22.01.2003	22.01.2003		05.02.2003	05.02.2003	05.02.2003	05.02.2003	05.02.2003		
Maturity date	22.01.2006	22.01.2006		05.02.2010	06.02.2010	05.02.2010	05.02.2010	05.02.2010		
Nominal value of the offer (thousand BGN)	25 000.00	25 000.00		20 000.00	20 000.00	20 000.00	15 000.00	30 000.00		105 000.00
Total nominal value of the bids received (thousand BGN)	62 650.00	42 850.00		77 850.00	49 650.00	34 800.00	46 260.00	68 030.00		276 590.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	25 000.00		20 000.00	20 000.00	20 000.00	15 000.00	30 000.00		105 000.00
Average price of the bids approved per BGN 100 (%)	101.57	101.01		100.42	98.90	98.06	101.92	102.27		100.42
Interest rate	5.50	5.50		5.875	5.875	5.875	5.875	5.875		5.875
Bid-to-cover ratio	2.51	1.71		3.89	2.48	1.74	3.08	2.27		2.63
Average annual yield (%)	4.93	5.13		5.80	6.07	6.22	5.54	5.48		5.80

(continued)

(continued)

Issue No.	First opening	BG2040203213** Second opening	Total for the issue	First opening	BG2040303211+ Second opening	Total for the issue
Auction date	18.02.2003	10.03.2003		30.06.2003	29.09.2003	
Issue date	24.02.2003	24.02.2003	24.02.2003	02.07.2003	02.07.2003	02.07.2003
Maturity date	24.05.2010	24.05.2010	24.05.2010	02.07.2013	02.07.2013	02.07.2013
Nominal value of the offer (thousand BGN)	50 000.00	25 000.00	75 000.00	20 000.00	30 000.00	50 000.00
Total nominal value of the bids received (thousand BGN)	139 990.00	76 475.00	216 465.00	69 350.00	78 753.00	148 103.00
Total nominal value of the bids approved (thousand BGN)	50 000.00	55 000.00	105 000.00	20 000.00	30 000.00	50 000.00
Average price of the bids approved per BGN 100 (%)	100.99	100.55	100.76	98.82	97.71	98.15
Interest rate	5.75	5.75	5.75	5.75	5.75	5.75
Bid-to-cover ratio	2.80	3.06	2.89	3.47	2.63	2.96
Average annual yield (%)	5.58	5.65	5.62	5.91	6.06	6.00

(continued)

(continued)

Issue No.	First opening	Second opening	Third opening	Fourth opening	Fifth opening	Total for the issue
Auction date	07.07.2003	04.08.2003	08.09.2003	12.11.2003	01.12.2003	
Issue date	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003	09.07.2003
Maturity date	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008	09.07.2008
Nominal value of the offer (thousand BGN)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Total nominal value of the bids received (thousand BGN)	47 300.00	37 150.00	43 600.00	56 500.00	60 750.00	245 300.00
Total nominal value of the bids approved (thousand BGN)	25 000.00	15 000.00	20 000.00	20 000.00	20 000.00	100 000.00
Average price of the bids approved per BGN 100 (%)	99.12	98.33	98.25	99.22	99.48	98.92
Interest rate	4.75	4.75	4.75	4.75	4.75	4.75
Bid-to-cover ratio	1.89	2.48	2.18	2.83	3.04	2.45
Average annual yield (%)	4.95	5.13	5.15	4.93	4.87	5.00

(continued)

(continued)

Issue No.	BG2040403219**	BG2030004118	BG2040004215
	First opening	First opening	First opening
Auction date	03.11.2003	05.01.2004	02.02.2004
Issue date	12.11.2003	07.01.2004	04.02.2004
Maturity date	11.10.2018	07.01.2009	04.02.2014
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	73 628.54	84 450.00	85 300.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	94.81	99.79	97.85
Interest rate	6.00	4.70	5.20
Bid-to-cover ratio	3.68	4.22	4.27
Average annual yield (%)	6.55	4.75	5.48

(continued)

(continued)

Issue No.	BG2040104213	BG2030104116	Total for the issue	First opening	Total for the issue
Auction date	09.02.2004	16.02.2004	18.02.2004	18.02.2004	18.02.2004
Issue date	11.02.2004	11.02.2004	11.02.2004	18.02.2007	18.02.2007
Maturity date	11.02.2011	11.02.2011	11.02.2011		
Nominal value of the offer (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00
Total nominal value of the bids received (thousand BGN)	76 850.00	76 850.00	76 850.00	93 850.00	93 850.00
Total nominal value of the bids approved (thousand BGN)	20 000.00	20 000.00	20 000.00	20 000.00	20 000.00
Average price of the bids approved per BGN 100 (%)	98.42	98.42	98.42	99.76	99.76
Interest rate	4.75	4.75	4.75	3.30	3.30
Bid-to-cover ratio	3.84	3.84	3.84	4.69	4.69
Average annual yield (%)	5.02	5.02	5.02	3.39	3.39

¹The price indicated in *Total for the issue* column is a result of the five auctions organized for sale of this issue.

²The price indicated in *Total for the issue* column is a result of the four auctions organized for sale of this issue.

³The price indicated in *Total for the issue* column is a result of the three auctions organized for sale of this issue.

⁴The price indicated in *Total for the issue* column is a result of the two auctions organized for sale of this issue.

* According to the resolution approved by the Ministry of Finance on 21 January 2002, the total volume of this issue was increased to BGN 80,000,000.

** Issues Nos. BG2040203213 and BG2040403219 are denominated in euro and all related values are also in euro.

***⁴ In 2003 reverse repurchases totaled BGN 49,171.1 thousand.

Deposit Insurance Government Securities

Issue No.	BG2044397227	BG2047397224	BG2047597229	BG2047697227
Issue date	18.08.1997	22.10.1997	22.10.1997	05.11.1997
Maturity date	09.08.2004	13.10.2004	13.10.2004	27.10.2004
Principal (thousand BGN)	4225.97	466.10	1518.62	2069.96
Interest rate	BIR	BIR	BIR	BIR
Interest payments	semiannual	semiannual	semiannual	semiannual
Repayments	equal annual	equal annual	equal annual	equal annual
Maturity (in years)	7	7	7	7

In compliance with Article 8 and Article 9, para. 1, item 1 of the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings (State Gazette, issue 46 of 29 May 1996; amended, issue 90 of 24 October 1996, effective as of 24 October 1996), the Ministry of Finance issues lev deposit insurance government securities. These are issued under the following conditions:

- 7-year redemption term;
- interest – BIR for the respective period, payable semiannually;
- redemption schedule – equal annual installments.

The Law on Bank Deposit Guaranty (published in the State Gazette, issue 49 of 29 April of 1998) repeals the Law on State Protection of Deposits and Accounts with Commercial Banks in Respect Whereof the BNB Has Petitioned the Institution of Bankruptcy Proceedings. The repealed law is applicable to deposits and accounts with banks which had been declared insolvent before the enforcement of the Law on Bank Deposit Guaranty, as well as to the special fund for state protection of deposits and accounts and deposit insurance government securities service.

Principals of deposit insurance government securities are based on actual data as of 29 February 2004.

Government Securities Issued to Settle Nonperforming Credits of State-owned Companies to Banks

Legal regulation	CMD 244/91	CMD 186/93	Art. 4 ZUNK/93	Art. 5 ZUNK/93	CMD 3/94	§ 10 of TFP of SBL/99
Issue No.	BG 2000192224	BG 2009993226	BG 2009893228	BG 2009794228	BG 2009693222	BG 2040099223
Issue date	01.01.1992	01.07.1993	01.10.1993	01.01.1994	01.12.1993	01.07.1999
Maturity date	01.01.2011	01.07.2017	01.10.2018	01.01.2019	01.12.2018	01.01.2019
Maturity (years)	19	24	25	25	25	19.5
Grace period (years)	4	4	5	5	5	
Redemption term (years)	15	20	20	20	20	19.5
Repayments	15 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments	20 equal annual installments
Principal (thousand)	BGN 1,926.21	BGN 1,780.57	BGN 6,459.39	USD 153,872.81	BGN 693.07	EUR 126,025.88
Interest payments	semiannual	semiannual	semiannual	semiannual	annual	semiannual
Interest	BIR+1	BIR	BIR	LIBOR*	BIR	EURIBOR**

* Six-month LIBOR of the US dollar for the preceding interest period; the amount of interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

** Six-month EURIBOR for the preceding interest period; the amount of interest coupon is announced by the Minister of Finance three days after the beginning of each interest period.

EUR-denominated issue BG 2040099223 has the same status as the USD-denominated issue BG 2009794228 (issued under Article 5 of ZUNK).

Pursuant to CM Decree No. 221 of 1995 holders of long-term government bonds issued under ZUNK, negotiated until 31 December 1990, CM Decrees No. 244 of 1991, No. 186 of 1993 and No. 3 of 1994 may use them as legal tender in privatization transactions.

Pursuant to CM Decree No. 22 of 1995, long-term government bonds issued under ZUNK may be used to repay obligations of state-owned enterprises, firms and commercial companies to the government, transformed under Article 10 of ZUNK. In meeting these obligations, long-term government bonds are valued at their nominal for the bonds denominated in US dollars, and 80% for those denominated in levs.

Principals are based on actual data as of 29 February 2004.

Pending Payments on Government Securities in April 2004

(thousand BGN)

Government securities	Monday	Tuesday	Wednesday	Thursday	Friday
				1	2
ZUNK target issues				86.2 17.2	11.0
	5	6	7	8	9
bills target issues bonds			1 268.9		20 000.0 13.0
	12	13	14	15	16
target issues bonds GGS	436.1 3 389.0		25.7	15.5	14.6
	19	20	21	22	23
bonds target issues	3 184.5			1 243.4	18.0
	26	27	28	29	30
bills bonds target issues GGS	3 820.1 530.5		12 000.0 26.8	13.5	1 118.9 11.7

Note: When the payment day is not a business day, payment is effected on the following business day.

Auction Calendar of Government Securities Issues for April 2004

Auction date	Issue date	Maturity date	Issue term	Scheduled volume (BGN)	Total nominal value (BGN)
*13.04.2004	14.04.2004	04.02.2014	10-year	20 000 000	up to 80 000 000
*19.04.2004	21.04.2004	18.02.2007	3-year	20 000 000	up to 100 000 000
26.04.2004	28.04.2004	28.07.2004	3-month	12 000 000	
TOTAL, incl.:				52 000 000	
bills				12 000 000	
bonds				40 000 000	

Note: The Ministry of Finance is entitled to make relevant adjustments in the calendar where necessary.

* Tap issue.

By end-February 2004 domestic debt totaled BGN 2,397,243.6 thousand. The share of budget deficit financing government securities was 78.8% (BGN 1,889,268.9 thousand) in overall debt and that of government securities issued for structural reform, 21.2% (BGN 507,974.7 thousand) (Chart 13).

By end-February government securities issued for budget deficit financing accounted for BGN 1,889,268.9 thousand. Issued government securities totaled BGN 231.656.3 thousand, including BGN 12,102.6 thousand sold directly to individuals. Principal repayments in February accounted for BGN 46,306.5 thousand, including BGN 43,012.5 thousand on short-term treasury bills. As a result of newly issued amounts, the share of three- and ten-year government securities in the maturity structure of government securities issued for budget deficit financing increased reaching 14.7% and 10.6% respectively at the expense of all other types of government securities whose shares decreased (Chart 14). The average-weighted maturity of government securities issued for budget deficit financing reached six years and five months. By end-February government securities issued for structural reform decreased reaching BGN 507,974.7 thousand. In the review period EUR-denominated ZUNK bonds amounting to EUR 5.2 thousand were used for repayment of obligations to the state under ZUNK.

Debt movements in February led to a slight change in debt forex structure (Chart 15). The share of government securities in US dollars and in euro decreased to 10.1% and 23.3% respectively at the expense of government securities denominated in levs which increased to 66.6%. Debt maturity structure also changed. Short-term and long-term government securities decreased to 3% and 60% respectively at the expense of short-term securities which increased to 37% (Chart 16). Government securities with fixed interest coupons comprised 78% and government securities with floating interest coupons, 22%.

Since early 2004 repaid interest and discounts have totaled BGN 34,427 thousand. Interest and discounts on government securities for budget deficit financing of BGN 29,544.2 thousand, or 85.8% of overall repaid interest and discounts, were repaid in February (Chart 19). Expenditure on five-year government bonds occupied the largest share, 45.1%, due to the higher nominal value of these issues, followed by seven-year bonds, 28%.

Domestic Debt

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 29 Feb. 2004
		increase	decrease	
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING				
1. Government securities issued in 1999	2 659.7	-	-	2 659.7
5-year	2 659.7			2 659.7
2. Government securities issued in 2000	28 065.6	-	-	28 065.6
5-year	28 065.6			28 065.6
3. Government securities issued in 2001	220 223.4	-	-	220 223.4
3.1. Medium-term	191 285.8	-	-	191 285.8
5-year	191 285.8			191 285.8
3.2. Long-term	28 937.6	-	-	28 937.6
7-year	28 937.6			28 937.6
4. Government securities issued in 2002	681 547.0	-	3 072.4	678 474.6
4.2. Medium-term	362 196.3	-	3 072.4	359 124.0
2-year	14 058.7		3 072.4	10 986.3
3-year	174 103.5			174 103.5
5-year	174 034.2			174 034.2
4.2. Long-term	319 350.6	-	-	319 350.6
7-year	237 780.3			237 780.3
10-year	81 570.3			81 570.3
5. Government securities issued in 2003	771 423.4	97 232.2	43 234.2	825 421.4
5.1. Short-term	72 262.2	-	43 012.5	29 249.7
3-month	33 939.0		23 841.6	10 097.4
12-month	38 323.2		19 170.8	19 152.4
5.2. Medium-term	253 241.6	-	221.7	253 020.0
3-year	79 323.8		221.7	79 102.1
5-year	173 917.9			173 917.9
5.3. Long-term	445 919.5	97 232.2	-	543 151.8
7-year	309 753.6			309 753.6
EUR-denominated (lev equivalent)	205 362.2			205 362.2
10-year	99 078.0			99 078.0
15-year	37 087.9	97 232.2		134 320.2
EUR-denominated (lev equivalent)	37 087.9	97 232.2		134 320.2
6. Government securities issued in 2004	-	134 424.1	-	134 424.1
6.1. Short-term	-	43 157.9	-	43 157.9
3-month		23 853.0	-	23 853.0
12-month		19 304.9	-	19 304.9
6.2. Medium-term	-	52 012.3	-	52 012.3
3-year		23 599.6	-	23 599.6
5-year		28 412.7	-	28 412.7
EUR-denominated (lev equivalent)		8 455.2		8 455.2
6.3. Long-term	-	39 253.8	-	39 253.8
7-year		19 683.3		19 683.3
10-year		19 570.5		19 570.5
TOTAL (I)	1 703 919.1	231 656.3	46 306.5	1 889 268.9

(continued)

(continued)

(thousand BGN/thousand EUR/thousand USD)

Structure	Amount as of 31 Dec. 2003	Change in 2004		Amount as of 29 Feb. 2004
		increase	decrease	
II. DEBT ON GOVERNMENT SECURITIES ISSUED FOR STRUCTURAL REFORM				
A1. Long-term government bonds issued pursuant to CM Decree No. 244 of 1991	2 201.4		275.2	1 926.2
A2. Long-term government bonds issued pursuant to CM Decree No. 234 of 1992	1 780.6			1 780.6
A3. Long-term government bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993				
in BGN	6 459.4			6 459.4
denominated in USD	164 578.8		10 706.0	153 872.8
lev equivalent	254 860.2			242 349.7
denominated in EUR	134 433.1		8 407.3	126 025.9
lev equivalent	262 928.4			246 485.2
A4. Long-term government bonds issued pursuant to CM Decree No. 3 of 1994	693.1			693.1
TOTAL (A)	528 923.0			499 694.1
B. Government securities in BGN issued pursuant to Articles 8 and 9 of LSPDACB of 1996	8 280.7			8 280.7
Government securities issued in 1996	8 280.7			8 280.7
Government securities issued in 1997				
TOTAL (B)	8 280.7			8 280.7
TOTAL (II)	537 203.7			507 974.7
GOVERNMENT DEBT, TOTAL	2 241 122.8			2 397 243.6
III. DOMESTIC GOVERNMENT GUARANTEES				
DOMESTIC DEBT, TOTAL	2 241 122.8			2 397 243.6

Notes:

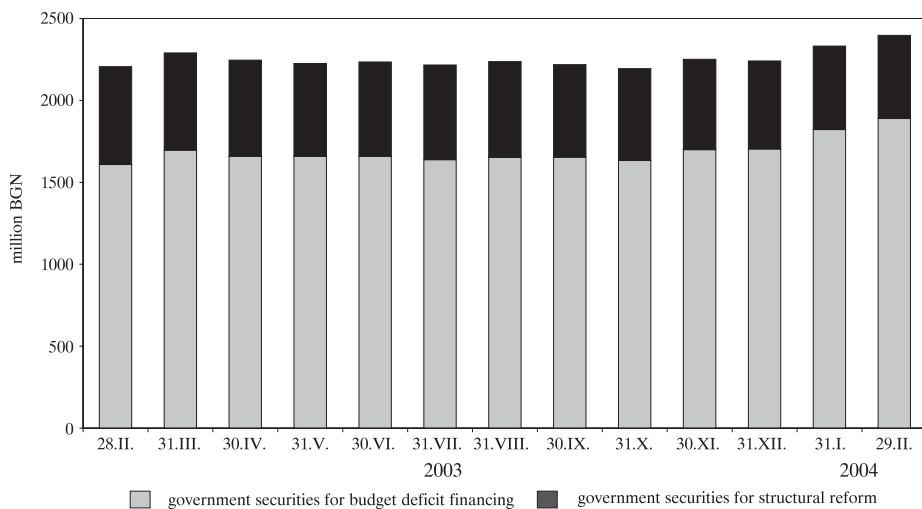
Domestic debt based on cash flows.

The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended by the BNB to the MF are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.

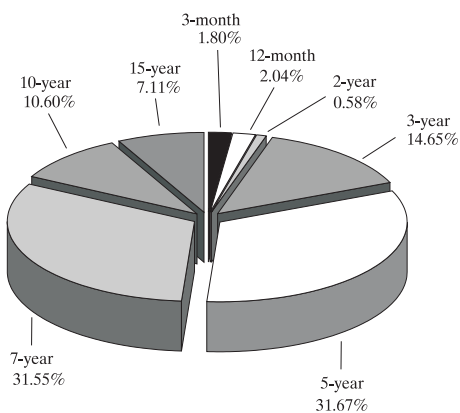
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.

Debt recalculation in US dollars and euro is based on BNB exchange rate of the relevant currency against the lev for the last business day of the respective period.

Changes in Domestic Government Debt

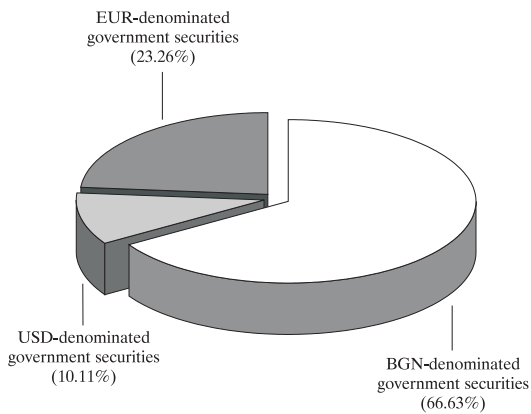


Outstanding Government Securities Issued for Budget Deficit Financing as of 29 February

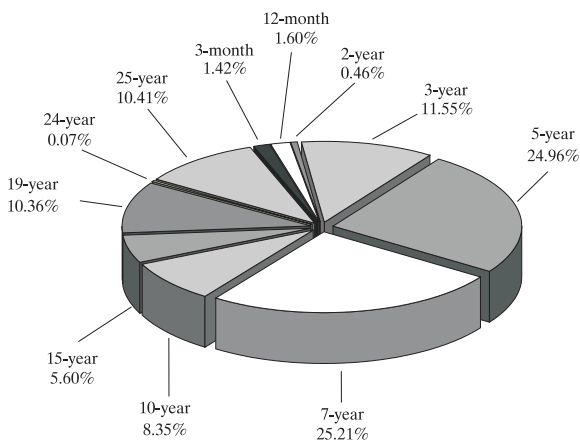


Note: The average-weighted maturity of government securities issued for budget deficit financing is six years and five months.

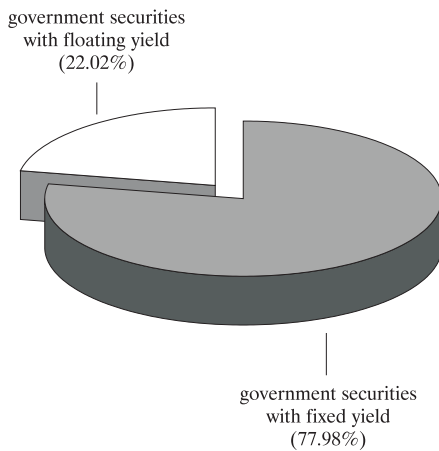
Forex Composition of Outstanding Government Securities as of 29 February



Maturity Structure of Outstanding Government Securities as of 29 February



Shares of Outstanding Government Securities with Fixed and Floating Yield as of 29 February



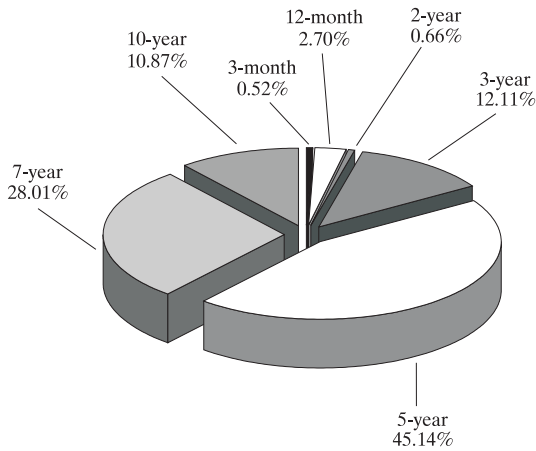
Expenditure on Domestic Debt between 1 January and 29 February 2004

(thousand BGN)

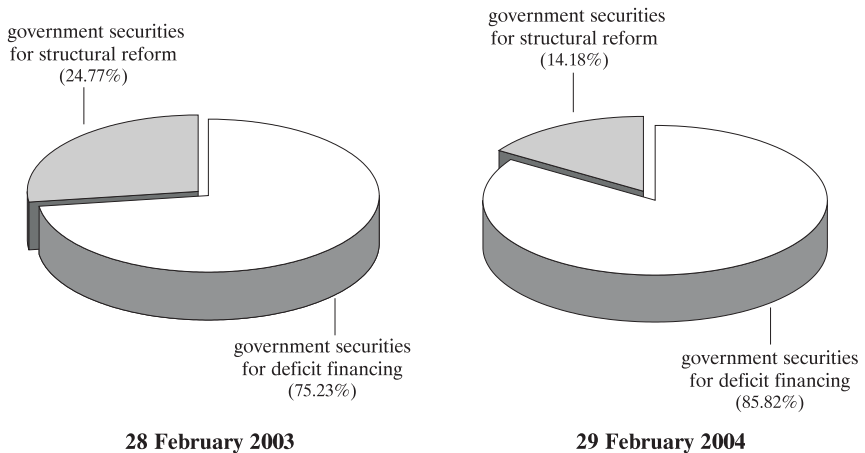
Structure	Amount of repaid interest (discount)
I. DEBT ON GOVERNMENT SECURITIES ISSUED FOR BUDGET DEFICIT FINANCING	
1. Government securities issued in 2001	3 396.6
1.1. Medium-term*	3 396.6
5-year	3 396.6
2. Government securities issued in 2002	13 804.2
2.1. Medium-term	8 316.2
2-year	202.8
3-year	2 168.0
5-year	5 945.3
2.2. Long-term	5 488.0
7-year	5 488.0
3. Government securities issued in 2003	12 343.4
3.1. Short-term	987.5
3-month	158.4
12-month	829.2
3.2. Medium-term	6 064.3
3-year	1 549.6
5-year	4 514.7
3.3. Long-term	5 291.6
7-year	3 109.7
10-year	3 335.8
15-year	-1 153.9
EUR-denominated (lev equivalent)	-1 153.9
TOTAL (I)	29 544.2
II. DEBT ON GOVERNMENT SECURITIES ISSUED AS A RESULT OF STRUCTURAL REFORM	
A. Debt on government securities issued to settle nonperforming credits of state-owned companies to banks	
1. Bonds issued pursuant to CM Decree No. 244 of 1991	39.4
2. Bonds issued pursuant to CM Decree No. 186 of 1992	22.9
3. Bonds issued pursuant to Articles 4 and 5 of ZUNK of 1993	4 820.4
lev bonds	0.0
USD-denominated bonds (in BGN at the current exchange rate)	1 609.2
EUR-denominated bonds (in BGN at the fixed exchange rate)	3 211.2
4. Bonds issued pursuant to CM Decree No. 3 of 1994	0.0
Total (A)	4 882.7
B. Debt on government securities issued pursuant to Articles 8 and 9 of LSPDACB of 1996	0.0
Total (B)	0.0
TOTAL (II)	4 882.7
EXPENDITURE ON GOVERNMENT DEBT, TOTAL	34 427.0
III. GOVERNMENT GUARANTEED DEBT	0.0
EXPENDITURE, TOTAL	34 427.0

* Including interest revenue from tap medium-term government securities issues.

Structure of Expenditure on Government Securities Issued for Budget Deficit Financing in February



Structure of Expenditure on Domestic Debt



By end-February foreign debt totaled EUR 7,391 million. Government debt accounted for EUR 6,953.8 million and government guaranteed debt amounted to EUR 437.2 million.

In February new foreign financing amounted to BGN 65,969 thousand. Payments on the debt totaled BGN 107,788.1 thousand, of which BGN 47,626.7 thousand principal repayments and BGN 60,161.4 thousand interest. Predominant among them were repayments to the World Bank (24,299.4 thousand), followed by those to the IMF (BGN 10,090.1 thousand), on government guaranteed loans (BGN 6,315.2 thousand), on government investment loans (BGN 4,138.4 thousand) and on called government guarantees (BGN 2,783.6 thousand). Interest was repaid mainly on global bonds and eurobonds (shown as 'other bonds'), BGN 35,449.4 thousand, to the IMF, BGN 10,163.9 thousand, to the World Bank, BGN 6,324.1 thousand and on government guaranteed loans, BGN 3,035.5 thousand). By end-February net foreign financing was positive (BGN 18,342.3 thousand).

Since early 2004 received loans have totaled BGN 186,708.1 thousand, of which BGN 60,380.6 thousand from the IMF, BGN 81,477.8 thousand on government guaranteed loans and BGN 38,745 thousand from the World Bank. Payments on the debt have amounted to BGN 450,744.8 thousand, including BGN 144,178.6 thousand principal repayments. The largest amounts were repaid on Brady bonds (BGN 79,029.2 thousand), to the World Bank (BGN 24,299.4 thousand), on government investment loans (BGN 20,493 thousand) and to the IMF (BGN 10,090.1 thousand).

Payments effected in February led to certain changes in debt forex structure. Debt denominated in euro and in other currencies increased on the previous month reaching 37.1% and 16.2% respectively by end-February. Debt in US dollars decreased comprising 46.7%. A slight change was also reported in debt interest structure. Proportion between the debt with floating interest coupons and fixed interest coupons reached 62.7% to 37.3%. The average-weighted residual term to maturity of the foreign debt was nine years and nine months.

Debt on other bonds (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor, 27.8%, followed by Brady bonds, 25.5%, and debt to the IMF, 13.2%. Obligations to the World Bank comprised 11.9%, to the Paris Club, 3%, to the European Union, 4.7%, and on government guaranteed loans, 5.9%.

Foreign Debt

(million EUR)

Structure	as of 31.XII.2003	as of 31.I.2004	as of 29.II.2004
Government debt	6 904.4	6 959.1	6 953.8
I. Bonds	3 924.8	3 940.8	3 932.9
1. Brady bonds	1 890.1	1 886.6	1 881.5
2. Other bonds	2 034.7	2 054.2	2 051.5
II. Credits	2 979.5	3 018.3	3 020.9
1. Paris Club	218.9	219.4	218.8
2. World Bank	870.0	897.8	881.6
2.1. World Bank	769.7	794.4	785.2
2.2. JBIC (JEXIM)	100.3	103.4	96.4
3. G24	42.0	42.2	42.0
4. European Union	350.0	350.0	350.0
5. IMF	940.2	955.9	978.3
6. Other	125.2	125.2	125.2
7. Government investment loans	383.0	377.7	376.3
7.1. World Bank	83.1	83.5	86.3
7.2. European Investment Bank	193.5	190.7	189.4
7.3. EBRD	31.8	28.7	28.6
7.4. Other	74.6*	74.8*	71.9
8. Called government guarantees	50.2	50.1	48.6
8.1. World Bank	41.0	40.9	39.4
8.2. European Investment Bank	1.8	1.6	1.6
8.3. Other	7.4	7.5	7.5
Government guaranteed debt	394.9	442.4	437.2
1. World Bank	109.2	113.3*	109.9
2. European Investment Bank	44.5	44.5	44.5
3. EBRD	39.5	40.4*	40.4
4. Other	201.7	244.1*	242.4
FOREIGN DEBT, TOTAL	7 299.3	7 401.5	7 391.0
FOREIGN DEBT, TOTAL (million USD)	9 219.0	9 166.0	9 178.2

Notes:

1. Foreign debt based on cash flows as of 1 January 2003.
 2. Credits in *Government investment loans* and *Government guaranteed debt* groups have been rearranged according to the provisions of the Law on the Government Debt (published in the State Gazette, issue 93 of 1 October 2002).
 3. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.
In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure in order to avoid any mistakes in using debt information.
 4. Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.
 5. Preliminary data for February 2004.
- * Revised data.

New Foreign Financing and Foreign Debt Payments as of 29 February

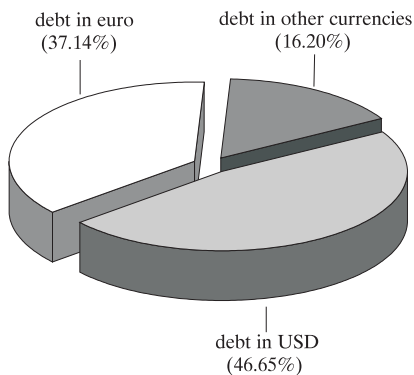
(thousand BGN)

Structure	Received credits (tranches)	Payments, incl.	
		installments	interest
Government debt	105 230.3	137 863.4	303 102.4
I. Bonds	-	79 029.2	275 280.3
1. Brady bonds	-	79 029.2	36 876.3
2. Other bonds	-	-	238 404.0
II. Credits	105 230.3	58 834.2	27 822.1
1. Paris Club	-	-	-
2. World Bank	38 745.0	24 299.4	6 324.1
2.1. World Bank	38 745.0	17 434.9	5 532.1
2.2. JBIC (JEXIM)	-	6 864.5	792.0
3. G24	-	-	137.8
4. European Union	-	-	2 527.9
5. IMF	60 380.6	10 090.1	10 163.9
6. Other	-	-	-
7. Government investment loans	6 104.7	20 493.0	7 418.1
7.1. World Bank	6 104.7	-	-
7.2. European Investment Bank	-	11 410.0	4 997.9
7.3. EBRD	-	6 804.1	1 149.5
7.4. Other	-	2 278.9	1 270.7
8. Called government guarantees	-	3 951.7	1 250.3
8.1. World Bank	-	3 603.1	1 127.7
8.2. European Investment Bank	-	348.6	122.6
8.3. Other	-	-	-
Government guaranteed debt	81 477.8	6 315.2	3 463.8
1. World Bank	4 825.7	6 315.2	2 450.8
2. European Investment Bank	-	-	-
3. EBRD	1 018.2	-	0.2
4. Other	75 634.0	-	1 012.8
TOTAL	186 708.1	144 178.6	306 566.2

Notes:

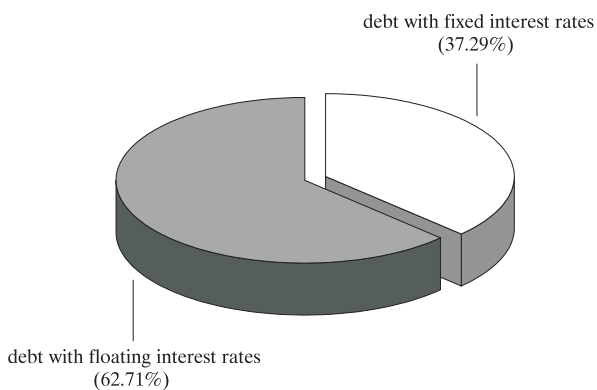
1. Values in BGN of the new foreign financing and payments effected are calculated on the basis of BNB central exchange rates of the respective foreign currencies against the Bulgarian lev valid until 4.00 p.m. on the day of corresponding payment.
2. Preliminary data.

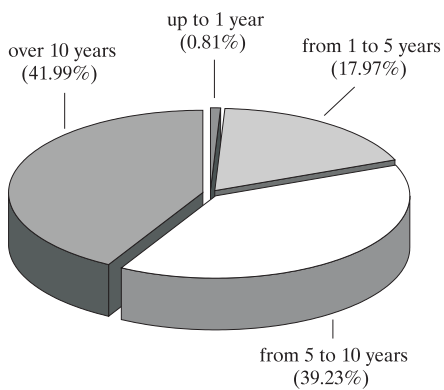
Forex Composition of the Foreign Debt as of 29 February



Note: Including swaps.

Interest Rate Structure of the Foreign Debt as of 29 February



Residual Term to Maturity of the Foreign Debt as of 29 February

Note: The average-weighted residual term to maturity of the foreign debt is nine years and nine months.

By end-February government and government guaranteed debt totaled EUR 8,616.7 million, including domestic debt of EUR 1,225.7 million and foreign debt of EUR 7,391 million. The increase in absolute terms was EUR 23.2 million on the previous month mainly due to increased share of domestic debt.

By end-February the *debt to GDP* ratio was 44.4%, up 0.2% on January 2004. The values of the domestic debt and the foreign debt accounted for 6.3% and 38.1% respectively.

Domestic debt occupied 14.2% in debt structure and foreign debt, 85.8% (Chart 23). The upward trend in the share of domestic debt was sustained reflecting the positive net issuing of government securities in the domestic market.

Forex debt composition underwent certain changes on the previous month as a result of the effected repayments. By end-February the share of the debt in US dollars indicated a decrease of 51 basis points reaching 41.5%. Debt in euro increased to 35.2%. Debt in levs rose to 9.5% and debt in other currencies also increased slightly amounting to 13.9% (Chart 24).

Debt on other bonds (global bonds and eurobonds) occupied the largest share in debt structure by type of creditor, 23.8%, followed by Brady bonds, 21.8%, domestic debt (government securities), 14.2%, debt to the IMF, 11.4%, and debt to the World Bank, 10.2% (Chart 25).

By end-February debt interest structure reflected slight changes: debt with fixed interest decreased reaching 43.1%, while the debt with floating interest comprised 56.9% (Chart 26).

Since early 2004 payments effected on government and government guaranteed debt have totaled BGN 564.1 million, including domestic debt payments of BGN 113.4 million and foreign debt payments of BGN 450.7 million (Chart 27). In February payments to the World Bank comprised the most significant share, followed by those to the IMF and on government guaranteed loans, while the main repayments related to domestic debt were effected on government securities issued for budget deficit financing.

By end-February payments in US dollars accounted for the biggest share in the forex composition of debt payments (recalculated in levs: BGN 221.3 million), followed by payments in euro (BGN 198 million) and in levs (BGN 113.4 million, Chart 28).

Government and Government Guaranteed Debt

(million EUR)

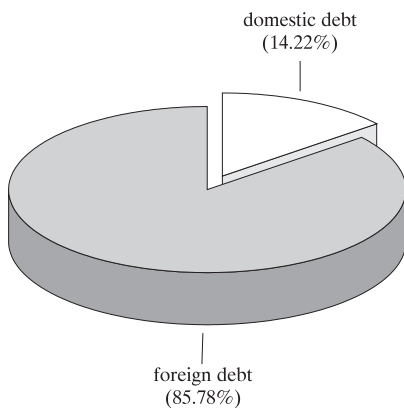
Structure	as of 31.XII.2003	as of 31.I.2004	as of 29.II.2004
Domestic debt	1 145.9	1 192.0	1 225.7
I. Government debt	1 145.9	1 192.0	1 225.7
1. Government securities issued for budget deficit financing	871.2	931.9	966.0
2. Government securities issued for structural reform	274.7	260.1	259.7
II. Government guaranteed debt	-	-	-
Foreign debt	7 299.3	7 401.5	7 391.0
I. Government debt	6 904.4	6 959.1	6 953.8
1. Bonds	3 924.8	3 940.8	3 932.9
2. Credits	2 979.5	3 018.3*	3 020.9
II. Government guaranteed debt	394.9	442.4*	437.2
Debt, total	8 445.2	8 593.5	8 616.7
Debt/GDP (%)	47.9	44.2	44.4
Domestic debt/GDP (%)	6.5	6.1	6.3
Foreign debt/GDP (%)	41.4	38.1	38.1

Notes:

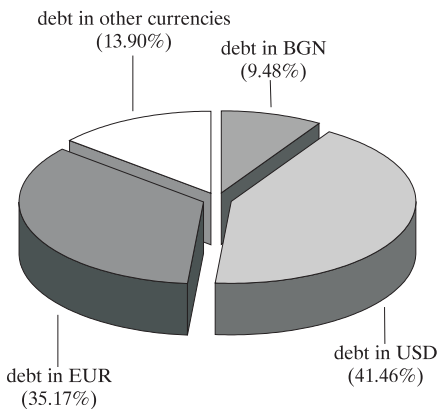
1. Debt based on cash flows. Foreign debt based on cash flows as of 1 January 2003.
2. GDP projection for 2004: BGN 37,983 million. Revised GDP projection for 2003: BGN 34,509 million.
3. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand.
In the present issue of *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure.
4. Debt recalculation in US dollars and in euro is based on BNB exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.
5. Preliminary data for February 2004.

* Revised data.

Debt Structure as of 29 February

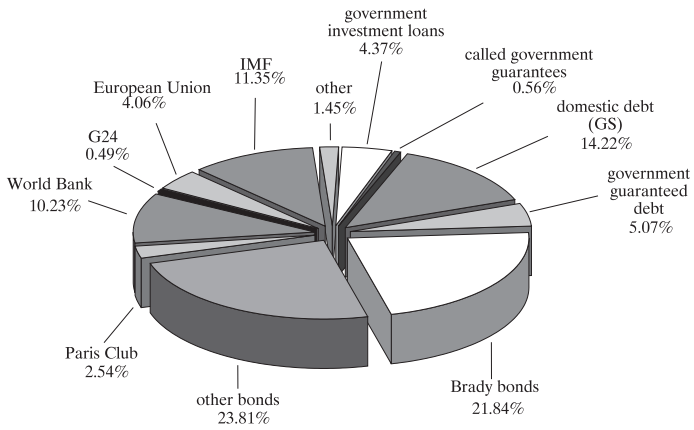


Debt Forex Structure as of 29 February

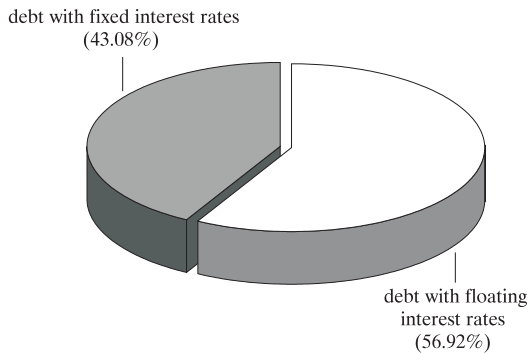


Note: Including swaps.

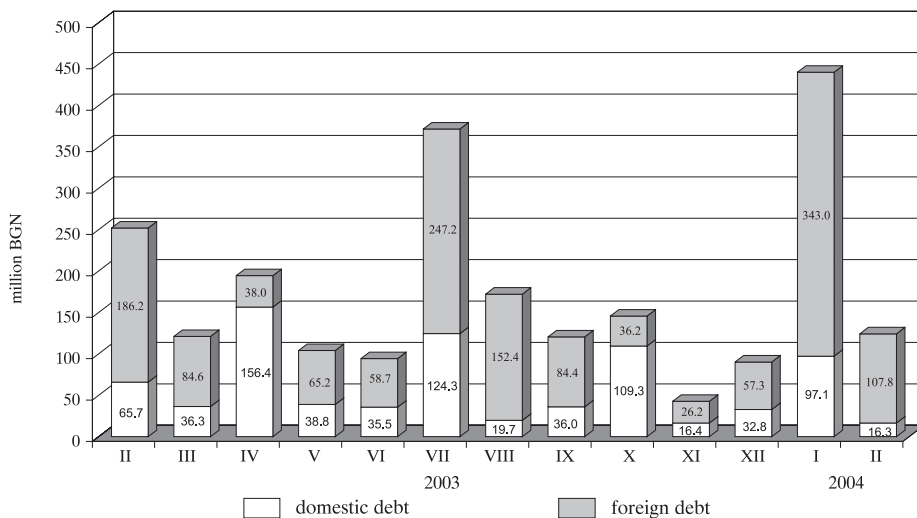
Debt Structure by Creditor as of 29 February



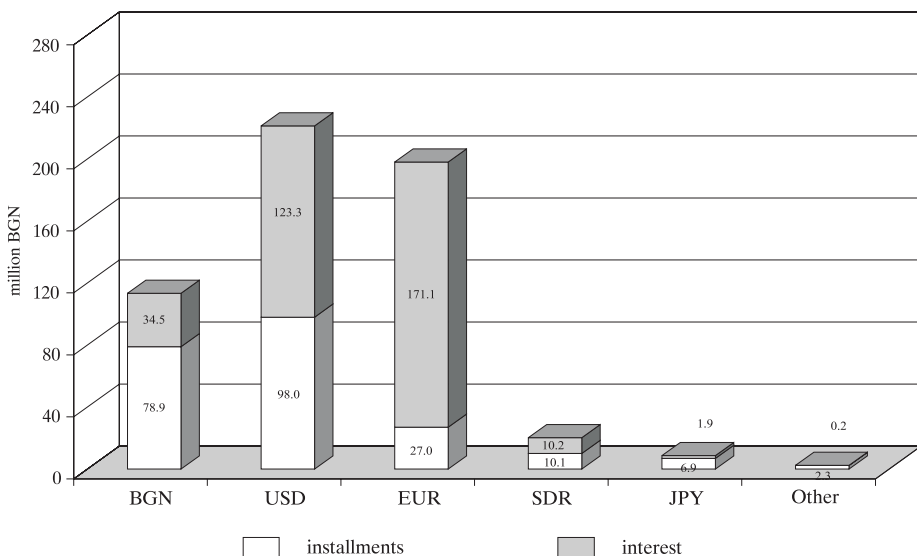
Debt Interest Structure as of 29 February



Government Debt Payments



Currency Structure of Government Debt Payments as of 29 February



Government Securities Issued in Domestic Market and Held by Nonresidents

(thousand BGN)

Government securities type	31.XII. 2003	2004 31.I.
Government securities issued for budget deficit financing	4 380.1	12 008.8
– 7 years and 3 months (in EUR)	194.6	-
– 15 years (in EUR)	4 185.5	12 008.8
Government securities issued for structural reform	4 455.9	4 183.0
– in USD	125.4	182.6
– in EUR	4 330.5	4 000.4
Total	8 835.9	16 191.8

Government Securities Issued in International Market and Held by Residents

(million EUR)

Government securities type	31.XII. 2003	2004 31.I.
Brady bonds	66.0	92.8
Eurobonds	65.3	61.5
Global bonds	166.0	165.3
– in EUR	122.8	126.3
– in USD	43.3	39.0
Total	297.3	319.6

* Revised data.

MUNICIPAL DEBT AND SOCIAL SECURITY FUNDS

Municipal Debt and Municipal Guarantees

(thousand BGN)

Structure	as of 31.XII.2003	as of 31.I.2004
I. Municipal debt	63 991.35	66 114.45
<i>1. Domestic municipal debt</i>	<i>43 366.14</i>	<i>45 233.07</i>
1.1. Government securities issues (at nominal value as of corresponding period)	8 454.57	8 454.57
1.2. Loans from banks and other financial institutions	22 082.69	23 995.29
1.3. Loans from the republican budget	2 730.00	2 730.00
1.4. Loans from extrabudgetary accounts and funds	6 303.46	5 950.22
1.5. Loans from other municipalities	-	-
1.6. Called municipal guarantees	-	-
1.7. Other	3 795.43	4 102.99
<i>2. Foreign municipal debt</i>	<i>20 625.21</i>	<i>20 881.38</i>
2.1. Loans from banks and other financial institutions	14 251.41	14 251.41
2.2. Government guaranteed municipal debt	6 373.80	6 629.97
II. Municipal guarantees	995.03	955.03
<i>1. Domestic municipal guarantees</i>	<i>995.03</i>	<i>955.03</i>
<i>2. Foreign municipal guarantees</i>	<i>-</i>	<i>-</i>
Municipal debt and municipal guarantees, total	64 986.39	67 069.48

Notes:

1. The loan extended by the Council of Europe Development Bank (CEB) to the Republic of Bulgaria under the *Building and Rehabilitation of Houses for Rom Families* project (utilized by the Sofia Municipality) represents foreign municipal debt and is reported under *1. Municipal debt, 2. Foreign municipal debt, 2.2. Government guaranteed municipal debt*. This loan has been guaranteed by the government and is reported in *Government and Government Guaranteed Debt table, Foreign Debt, II. Government guaranteed debt*.
2. The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement is a foreign municipal debt and is reported under *1. Municipal debt, 2. Foreign municipal debt, 2.2. Government guaranteed municipal debt*. Pursuant to the Guarantee Agreement concluded between the Government of Bulgaria and the Government of Japan under the Loan Agreement, this loan is guaranteed by the Bulgarian Government and is reported in *Government and Government Guaranteed Debt table, Foreign Debt, II. Government guaranteed debt*.
3. Debt recalculation in US dollars and in euro is based on the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.

* Revised data.

Social Security Funds Debt

(thousand BGN)

Structure	as of 31.XII.2003	as of 31.I.2004
Domestic debt	35 378.2	35 410.8
I. National Insurance Institute	35 378.2	35 410.8
1. Other ¹	35 378.2	35 410.8
2. Loans from the republican budget	-	-
II. National Health Insurance Fund	-	-
III. Teachers' Pension Fund	-	-
Foreign debt	-	-

¹ The loan was extended by the Ministry of Finance to the National Insurance Institute under a subloan agreement concluded on the basis the loan agreement between the Republic of Bulgaria and the International Bank for Reconstruction and Development (the World Bank) under the *Social Insurance Administration* project.

Debt recalculation in US dollars and in euro is based on the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.

* Revised data.

Consolidated Government Debt Amount

(million EUR)

Structure	as of 31.XII.2003	as of 31.I.2004
I. Consolidated government debt	8 147.6	8 250.3
1. Central government debt	8 114.9	8 216.5
2. Social security funds debt	0.0	0.0
3. Municipal debt	32.7	33.8
Debt/GDP, total (%)	46.18	42.48

Notes:

1. Debt based on the Law on the Government Debt, §1, 5.
2. GDP projection for 2004: BGN 37,983 million. Revised GDP projection for 2003: BGN 34,509 million.
3. Debt recalculation in euro is based on the BNB central exchange rates of the relevant currencies against the Bulgarian lev valid for the last business day of the period.
4. The IMF extends its tranches to the central bank which then on-lends them to the government under Article 45 of the Law on the BNB. So far, the credits extended to the MF by the BNB are reported as domestic government debt to the BNB, on the one hand, and foreign liabilities of the BNB to the IMF, on the other hand. In the *Government Debt Management* bulletin, debt to the IMF is included in the foreign debt structure and excluded from domestic debt structure.
5. The loan extended by the Ministry of Finance to the National Insurance Institute under a subloan agreement concluded on the basis of the loan agreement between the Republic of Bulgaria and the International Bank for Reconstruction and Development (the World Bank) under the *Social Insurance Administration* project is excluded from 2. *Social Security Funds Debt* and is reported under 1. *Central government debt*.
6. The loan extended by the Japan Bank for International Cooperation (JBIC) to the Sofia Municipality under the Loan Agreement represents a foreign municipal debt and is reported under *Consolidated government debt, 3. Municipal debt*. Pursuant to the Guarantee Agreement between the governments of Bulgaria and Japan, this loans is also guaranteed by the Bulgarian Government.

* Revised data.

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